UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
Under the Securities Exchange Act of 1934

For the month of August 2021

Commission File Number 001-38716

GAMIDA CELL LTD.

(Translation of registrant's name into English)

5 Nahum Heftsadie Street
Givaat Shaul, Jerusalem 91340 Israel
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

On August 11, 2021, Gamida Cell Ltd. (the "Company") issued a press release, a copy of which is furnished as Exhibit 99.1 to this Form 6-K.

The information included under the captions "Omidubicel: Advanced Cell Therapy," "GDA-201: NAM-Enabled NK Immunotherapy," "NAM-Enabled NK Cell Pipeline Expansion," "Corporate," "Second Quarter 2021 Financial Results" and "Expected 2021 Developments and Milestones" of the press release, as well as the Unaudited Interim Consolidated Financial Statements as of June 30, 2021 attached hereto as Exhibit 99.2 to this Form 6-K, are hereby incorporated by reference into the Company's Registration Statement on Form F-3 (File No. 333-234701), the Registration Statement on Form F-3 (File No. 333-253720) and the Registration Statement on Form S-8 (File No. 333-238115).

Exhibit

99.1	Press release dated August 11, 2021, Gamida Cell Reports Second Quarter 2021 Financial Results and Provides Company Update
99.2	Unaudited Interim Consolidated Financial Statements of June 30, 2021
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) Interim Consolidated Statements of Financial Position, (ii) Interim Consolidated Statements of Comprehensive Loss, (iii) Interim Consolidated Statements of Changes in Shareholders Equity, (iv) Interim Consolidated Statements of Cash Flows, and (v) the Notes to Interim Consolidated Financial Statements

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GAMIDA CELL LTD.

August 12, 2021

By: /s/ Shai Lankry
Shai Lankry
Chief Financial Officer

Gamida Cell Reports Second Quarter 2021 Financial Results and Provides Company Update

- *BLA submission for omidubicel, a potentially life-saving treatment for patients with blood cancers in need of stem cell transplant, expected in fourth quarter of 2021*
- *Commercial readiness activities underway to support potential launch in 2022*
- *Phase 1/2 clinical trial of GDA-201 in patients with follicular and diffuse large B-cell lymphomas expected to start by the end of the year*
- *Four new development programs announced leveraging next-generation, NAM-enabled, genetically-modified NK cells in solid tumor and hematological cancers*
- *Company to host conference call at 8:00 a.m. ET today*

Boston, Mass. – August 11, 2021 – Gamida Cell Ltd. (Nasdaq: GMDA), an advanced cell therapy company committed to cures for cancer and other serious diseases, today reported financial results for the quarter ended June 30, 2021. Net loss for the second quarter of 2021 was $21.3 million, compared to a net loss of $15.1 million for the same period in 2020. As of June 30, 2021, Gamida Cell had total cash and cash equivalents of $150.2 million.

During the quarter, the company continued to execute on plans to submit a Biologic License Application (BLA) for omidubicel, a potentially life-saving treatment for patients with blood cancers in need of stem cell transplant. This submission is expected to occur by the end of the year, subject to a pre-BLA meeting with the U.S. Food and Drug Administration (FDA) planned for the fourth quarter. In addition, Gamida prepared to begin a Phase 1/2 trial of GDA-201 in non-Hodgkin lymphoma (NHL), expected to occur by the end of 2021. Also, the company expanded its NAM-enabled natural killer (NK) cell pipeline targeting solid-tumor and hematological cancers, including genetically modified variants of proprietary NK therapies using both CRISPR/Cas9 and CAR methodologies.

“Our progress this quarter represents a major step forward for Gamida Cell and our mission to bring cancer patients potentially curative cell therapies,” said Julian Adams, Ph.D., chief executive officer of Gamida Cell. “We are delivering against key process development, quality and manufacturing milestones in preparation for a BLA submission for omidubicel while also advancing our go-to-market strategy for our planned commercial launch. In parallel, we bolstered our NAM-enabled NK pipeline both by readying to advance GDA-201 into the clinic based on its encouraging clinical data in patients with hematological cancers and by expanding our NK cell pipeline to address solid and liquid tumors.”

Q2 and Recent Developments

Omidubicel: Advanced Cell Therapy

- Continued advancement toward planned BLA submission for omidubicel to the FDA in the fourth quarter of this year. The company’s activities included CMC qualification requirements at both the Gamida–owned facility in Israel and at Lonza, a contract manufacturing organization that will be supplying commercial material upon FDA approval. Advancements were made in analytical methods validation, analytical comparability and clinical manufacturing for Expanded Access Program patients, which are also planned to be used for clinical comparability.

- Advanced launch planning activities by expanding Gamida's commercial, operational and medical affairs teams. Conducted further market research and health economic and outcomes research (HEOR) to support planned market entry and market access activities. Readied Gamida Cell Assist, supply chain and logistics programs to facilitate positive patient and transplant center experiences at time of launch.

- Announced that results of the international, multi-center, randomized Phase 3 clinical study of omidubicel were published in *Blood*, the official journal of the American Society of Hematology. This pivotal trial compared the safety and efficacy of omidubicel to standard umbilical cord blood transplant in patients with high-risk hematologic malignancies undergoing a bone marrow transplant. The results demonstrate that transplantation with omidubicel leads to faster neutrophil and platelet recovery, and results in fewer bacterial, viral and fungal infections and less time in the hospital, compared to a standard umbilical cord blood graft.

GDA-201: NAM-Enabled NK Immunotherapy

- Prepared for filing of an Investigational New Drug (IND) application with the FDA.

- Finalized clinical study protocol and statistical plan for a planned Phase 1/2 clinical trial of allogeneic, cryopreserved GDA-201 in patients with follicular and diffuse large B-cell lymphoma.

- Conducted study start-up activities, including contract research organization (CRO) and clinical site selections.

NAM-Enabled NK Cell Pipeline Expansion

- Advanced four new development programs that involve modifications intended to direct NK cells against specific tumor markers to improve their cancer killing capabilities against both hematological and solid tumors. Newly designated product candidates include:

    - GDA-301: Knockout of CISH (cytokine inducible SH2 containing protein) in NK cells using CRISPR/Cas9 in combination with a membrane-bound IL-15/IL-15Ra. Designed to improve tumor killing by promoting activation and inhibiting negative feedback signals. Potential applications exist across a range of solid tumors and lymphoma.

    - GDA-401: Undisclosed target genetically engineered to enhance NK cell survival in the solid tumor microenvironment for potential application across a broad range of solid tumors.

    - GDA-501: CAR-engineered NK cells to target HER2+ solid tumors with the potential to enhance homing and activation against cancers with HER2 overexpression, including breast, ovarian, lung, bladder, gastric and others.

    - GDA-601: Knockout of CD38 on NK cells to avoid fratricide by CD38 targeted antibodies in combination treatment of multiple myeloma, combined with a CD38 CAR designed to enhance killing of cancerous cells.

- Advanced additional NAM-enabled research programs targeting immunosuppressive pathways using both CRISPR/Cas9 and CAR, with potential to treat solid tumor and blood cancers.

Corporate

- Hired Vladimir Melnikov as Senior Vice President, Global Operations and Manufacturing. Vladimir has over 25 years of experience in the biopharmaceutical industry. He previously served as general manager at Omrix Biopharmaceuticals and biologic technical operations lead at Ethicon Biosurgery, both part of a Johnson & Johnson Company. In those roles he supervised three Israeli biotech manufacturing sites and technology transfer to external partners. Vladimir will have responsibility for the company's Israeli manufacturing site and manufacturing partnership with Lonza.

- Hired Josh Patterson as General Counsel, effective August 30, 2021. Josh has over 20 years of experience as in-house legal counsel for biopharmaceutical companies. Josh will be joining Gamida Cell from Akcea Therapeutics, a wholly owned subsidiary of Ionis Pharmaceuticals, where he is currently General Counsel. Josh will be responsible for building, leading and managing the legal function for Gamida Cell.

Second Quarter 2021 Financial Results

- Research and development expenses in the second quarter of 2021 were $13.5 million, compared to $9.3 million for the same period in 2020. The increase was mainly due to omidubicel commercial manufacturing readiness activities, and the advancement of the GDA-201 program, including broadening scientific capabilities and talent.

- Commercial expenses in the second quarter of 2021 were $5.2 million, compared to $1.0 million for the second quarter of 2020. The increase was mainly attributed to progress with omidubicel commercial readiness activities.

- General and administrative expenses were $3.8 million for the second quarter of 2021, compared to $2.5 million for the same period in 2020. The increase was mainly due to the hiring of key management positions to support business growth.

- Finance income, net, was $1.2 million for the second quarter of 2021, compared to $2.2 million for the second quarter of 2020. The increase was primarily due to non-cash income, resulting from revaluation of warrants offset by interest expenses that resulted from the $75 million convertible note financing in February 2021.

Net loss for the second quarter of 2021 was $21.3 million, compared to a net loss of $15.1 million for the same period in 2020.

2021 Financial Guidance

Gamida Cell reiterates its prior financial guidance and expects cash used for ongoing operating activities in 2021 to range from $110 million to $120 million. The company believes that its current cash and cash equivalents will support the ongoing operating activities into the second half of 2022. This cash runway guidance is based on the company's current operational plans and excludes any additional funding and any business development activities that may be undertaken.

Expected 2021 Developments and Milestones

Gamida Cell plans to achieve the following key milestones during the second half of 2021:

Omidubicel

- Pre-BLA meeting with FDA in the fourth quarter of 2021

- BLA submission to the FDA in the fourth quarter of 2021

- Commercial readiness activities ongoing for potential launch following approval

GDA-201

- IND submission to FDA in third quarter 2021

- Initiation of a company-sponsored Phase 1/2 clinical study in NHL before year-end 2021

NK cell pipeline expansion

- Advance pipeline of NAM-enabled, genetically-modified NK cells in solid tumor and blood cancers

Conference Call Information

Gamida Cell will host a conference call today, August 11, 2021, at 8:00 a.m. ET to discuss these financial results and company updates. A live webcast of the conference call can be accessed in the "Investors & Media" section of Gamida Cell's website at www.gamida-cell.com. To participate in the live call, please dial 866-930-5560 (domestic) or 409-216-0605 (international) and refer to conference ID number 5258448. A recording of the webcast will be available approximately two hours after the event, for approximately 30 days.

About Omidubicel

Omidubicel is an advanced cell therapy under development as a potentially life-saving[1] allogeneic hematopoietic stem cell (bone marrow) transplant solution for patients with hematologic malignancies (blood cancers). In both Phase 1/2 and Phase 3 clinical studies (NCT01816230, NCT02730299), omidubicel demonstrated rapid and durable time to engraftment and was generally well tolerated.[2,3] Omidubicel is also being evaluated in a Phase 1/2 clinical study in patients with severe aplastic anemia (NCT03173937). The aplastic anemia investigational new drug application is currently filed with the FDA under the brand name CordIn®, which is the same investigational development candidate as omidubicel. For more information on clinical trials of omidubicel, please visit www.gamida-cell.com.

Omidubicel is an investigational therapy, and its safety and efficacy have not been established by the FDA or any other health authority.

About GDA-201

Gamida Cell applied the capabilities of its nicotinamide (NAM)-based cell expansion technology to develop GDA-201, an innate NK cell immunotherapy for the treatment of hematologic and solid tumors in combination with standard of care antibody therapies. GDA-201, the lead candidate in the NAM-enabled NK cell pipeline, has demonstrated promising initial clinical trial results, as reported at the 2020 American Society of Hematology (ASH) Annual Meeting & Exposition. GDA-201 addresses key limitations of NK cells by increasing the cytotoxicity and *in vivo* retention and proliferation in the bone marrow and lymphoid organs of NK cells expanded in culture. GDA-201 has been in development through an investigator-sponsored study in patients with refractory NHL and multiple myeloma. For more information on the clinical study of GDA-201, please visit www.clinicaltrials.gov.

GDA-201 is an investigational therapy, and its safety and efficacy have not been established by the FDA or any other health authority.

About Gamida Cell

Gamida Cell is pioneering a diverse immunotherapy pipeline of potentially curative cell therapies for patients with solid tumor and blood cancers and other serious blood diseases. We apply a proprietary expansion platform leveraging the properties of NAM to allogeneic cell sources — including umbilical cord blood-derived cells and NK cells — to create therapies with potential to redefine standards of care. These include omidubicel, an investigational product with potential as a life-saving alternative for patients in need of bone marrow transplant, and a line of modified and unmodified NAM-enabled NK cells targeted at solid tumor and hematological malignancies. For additional information, please visit www.gamida-cell.com or follow Gamida Cell on LinkedIn, Twitter, Facebook, Instagram, or YouTube at @GamidaCellTx.

1 Gragert et al. HLA Match Likelihoods for Hematopoietic Stem-Cell Grafts in the U.S. Registry. N Engl J Med 2014;371:339-48. Bejanyan et al. Myeloablative Conditioning for Allogeneic Transplantation Results in Superior Disease-Free Survival for Acute Myelogenous Leukemia and Myelodysplastic Syndromes with Low/Intermediate but not High Disease Risk Index: A Center for International Blood and Marrow Transplant Research Study. Biol Blood Marrow Transplant 00 (2020) 1-9.

2 Horwitz M.E., Wease S., Blackwell B., Valcarcel D. et al. Phase I/II study of stem-cell transplantation using a single cord blood unit expanded ex vivo with nicotinamide. J Clin Oncol. 2019 Feb 10;37(5):367-374.

3 Horwitz M.E., et al. Blood. 2021 Jun 22;blood.2021011719. doi: 10.1182/blood.2021011719. Online ahead of print.

4 Bachanova et al. ASH 2020 abstract

Cautionary Note Regarding Forward Looking Statements

This press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995, including with respect to timing of initiation and progress of, and data reported from, the clinical trials of Gamida Cell's product candidates, anticipated regulatory filings (including the submission of the BLA for omidubicel to the FDA), commercialization planning efforts, the potentially life-saving or curative therapeutic and commercial potential of omidubicel, and Gamida Cell's expectations regarding its projected cash to be used for operating activities and cash runway. Any statement describing Gamida Cell's goals, expectations, financial or other projections, intentions or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to a number of risks, uncertainties and assumptions, including those related to the impact that the COVID-19 pandemic could have on our business, and including the scope, progress and expansion of Gamida Cell's clinical trials and ramifications for the cost thereof; clinical, scientific, regulatory and technical developments; and those inherent in the process of developing and commercializing product candidates that are safe and effective for use as human therapeutics, and in the endeavor of building a business around such product candidates. In light of these risks and uncertainties, and other risks and uncertainties that are described in the Risk Factors section and other sections of Gamida Cell's Annual Report on Form 20-F, filed with the Securities and Exchange Commission (SEC) on March 9, 2021, as amended, and other filings that Gamida Cell makes with the SEC from time to time (which are available at http://www.sec.gov), the events and circumstances discussed in such forward-looking statements may not occur, and Gamida Cell's actual results could differ materially and adversely from those anticipated or implied thereby. Although Gamida Cell's forward-looking statements reflect the good faith judgment of its management, these statements are based only on facts and factors currently known by Gamida Cell. As a result, you are cautioned not to rely on these forward-looking statements.

Contacts

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INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

	June 30,		December 31,
	2021	2020	2020
	Unaudited		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 100,490	$ 88,638	$ 127,170
Marketable securities	49,702	-	-
Prepaid expenses and other current assets	3,730	2,241	2,815
Total current assets	153,922	90,879	129,985
NON-CURRENT ASSETS:			
Property, plant and equipment, net	25,607	14,204	18,238
Right-of-use assets	5,404	7,490	6,474
Other assets	1,787	642	786
Total non-current assets	32,798	22,336	25,498
Total assets	$ 186,720	$ 113,215	$ 155,483
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	$ 5,435	$ 2,738	$ 6,329
Employees and payroll accruals	4,796	3,187	4,705
Current maturities of lease liabilities	1,937	2,145	2,532
Accrued interest	1,618	-	-
Accrued expenses and other payables	8,839	5,509	7,988
Total current liabilities	22,625	13,579	21,554
NON-CURRENT LIABILITIES:			
Liabilities presented at fair value	6,233	4,551	12,043
Employee benefit liabilities, net	768	773	768
Other long-term liabilities	4,839	5,946	5,378
Liability to Israel Innovation Authority	19,146	13,816	17,003
Convertible senior notes, net	69,025	-	-
Total non-current liabilities	100,011	25,086	35,192
SHAREHOLDERS' EQUITY:			
Share capital	167	137	166
Share premium	379,981	304,175	375,280
Capital reserve	(441)	(541)	(441)
Reserve from financial assets measured at FVOCI	(25)	-	-
Accumulated deficit	(315,598)	(229,221)	(276,268)
Total shareholders' equity	64,084	74,550	98,737
Total liabilities and shareholders' equity	$ 186,720	$ 113,215	$ 155,483

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

U.S. dollars in thousands (except share and per share data)

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		
Operating expenses:					
Research and development, net	$ 24,817	$ 17,198	$ 13,451	$ 9,319	$ 41,385
Commercial activities	9,660	2,497	5,230	1,029	8,748
General and administrative	7,230	5,490	3,817	2,496	12,167
Operating loss	41,707	25,185	22,498	12,844	62,300
Finance expense	4,150	1,366	2,594	2,320	10,640
Finance income	(6,080)	(894)	(3,801)	(109)	(236)
Loss before tax benefit	39,777	25,657	21,291	15,055	72,704
Tax benefit	(447)	-	-	-	-
Net loss	39,330	25,657	21,291	15,055	72,704
Net loss per share:					
Basic loss per share	$ 0.66	$ 0.69	$ 0.36	$ 0.37	$ 1.66
Diluted loss per share	$ 0.76	$ 0.69	$ 0.42	$ 0.37	$ 1.66
Weighted average share count	59,725,076	37,141,582	59,336,633	49,589,719	43,725,584

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		
Cash flows from operating activities:					
Net loss	$ (39,330)	$ (25,657)	$ (21,291)	$ (15,055)	$ (72,704)
Adjustments to reconcile net loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation of property, plant and equipment and right-of-use assets	1,277	1,106	642	556	2,397
Financial (income) expense, net	1,007	(260)	522	(128)	483
Share-based compensation	2,463	1,221	1,449	322	2,864
Change in employee benefit liabilities, net	-	-		-	94
Amortization of premium on available-for-sale financial assets	-	4		-	4
Revaluation of liabilities presented at fair value derivatives	(5,810)	(670)	(3,525)	1,778	6,822
Revaluation of liability to IIA	1,858	1,315	832	593	4,302
Deferred income taxes	(447)	-		-	-
	348	2,716	(80)	3,121	16,966
Changes in asset and liability items:					
Decrease (increase) in prepaid expenses, other current assets, and other assets	68	(1,065)	591	(607)	(1,626)
Increase (decrease) in trade payables	(893)	1,574	(1,768)	(360)	5,083
Increase (decrease) in accrued expenses and other payables	(201)	(624)	2,523	2,472	3,454
	(1,026)	(115)	1,346	1,505	6,911
Cash received during the period for:					
Interest received	268	357	268	9	361
Interest paid	(85)	(80)	(34)	(33)	(161)
Net cash used in operating activities	(39,825)	(22,779)	(19,791)	(10,453)	(48,627)
Cash flows from investing activities:					
Purchase of property, plant and equipment	(5,390)	(7,109)	(2,584)	(4,990)	(11,804)
Investment in long term deposit	(1,000)	-	(1,000)	-	-
Purchase of marketable securities	(68,151)	-	(68,151)	-	-
Proceeds from maturity of marketable securities	17,824	-	17,824	-	(158)
Proceeds from sale of marketable securities	-	13,551	-	-	13,551
Net cash provided by (used in) investing activities	$ (56,717)	$ 6,442	$ (53,911)	$ (4,990)	$ 1,589

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30		Three months ended June 30		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited				
Cash flows from financing activities:					
Proceeds from secondary offering, net	-	-	-	-	133,316
Receipt of grants from the IIA	52	200	-	147	399
Proceeds from secondary offering, net	-	63,860	-	63,860	-
Proceeds from issuance of convertible senior notes, net of issuance costs	70,777	-	(235)		-
Payment of lease liabilities	(1,129)	(1,122)	(465)	(335)	(1,985)
Exercise of options	556	147	54	141	650
Payment of issuance costs related to public offering	(468)	-	-	-	-
Net cash (used in) provided by financing activities	69,788	63,085	(646)	63,813	132,380
Exchange differences on balances of cash and cash equivalents	74	52	40	(24)	(10)
Increase (decrease) in cash and cash equivalents	(26,680)	46,800	(74,308)	48,346	85,332
Cash and cash equivalents at beginning of period	127,170	41,838	174,798	40,292	41,838
Cash and cash equivalents at end of period	$ 100,490	$ 88,638	$ 100,490	$ 88,638	$ 127,170
Supplemental disclosure of non-cash financing activities:					
Significant non-cash transactions:					
Lease liabilities arising from new right-of-use asset	$ -	$ -	$ -	$ -	$ 3,409
IIA liability for grants to be received	$ 656	$ -	$ 607	$ -	$ 103
Issuance expenses on credit	$ -	$ -	$ -	$ -	$ 468
Purchase of property, plant and equipment on credit	$ 1,563	$ 960	$ 1,563	$ 960	$ 415
Borrowing costs capitalization	$ 574	$ -	$ 574	$ -	$ -

Exhibit 99.2

GAMIDA CELL LTD. AND ITS SUBSIDIARY

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2021

U.S. DOLLARS IN THOUSANDS

UNAUDITED

INDEX

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

	June 30,		December 31,
	2021	2020	2020
	Unaudited		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 100,490	$ 88,638	$ 127,170
Marketable securities	49,702	-	-
Prepaid expenses and other current assets	3,730	2,241	2,815
Total current assets	153,922	90,879	129,985
NON-CURRENT ASSETS:			
Property, plant and equipment, net	25,607	14,204	18,238
Right-of-use assets	5,404	7,490	6,474
Other assets	1,787	642	786
Total non-current assets	32,798	22,336	25,498
Total assets	$ 186,720	$ 113,215	$ 155,483

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands (except share and per share data)

	June 30,		December 31,
	2021	2020	2020
	Unaudited		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	$ 5,435	$ 2,738	$ 6,329
Employees and payroll accruals	4,796	3,187	4,705
Current maturities of lease liabilities	1,937	2,145	2,532
Accrued interest	1,618	-	-
Accrued expenses and other payables	8,839	5,509	7,988
Total current liabilities	22,625	13,579	21,554
NON-CURRENT LIABILITIES:			
Liabilities presented at fair value	6,233	4,551	12,043
Employee benefit liabilities, net	768	773	768
Other long-term liabilities	4,839	5,946	5,378
Liability to Israel Innovation Authority	19,146	13,816	17,003
Convertible senior notes, net	69,025	-	-
Total non-current liabilities	100,011	25,086	35,192
SHAREHOLDERS' EQUITY:			
Share capital -			
Ordinary shares of NIS 0.01 par value - Authorized: 100,000,000 shares at June 30, 2021 and 2020 (unaudited) and December 31, 2020; Issued and outstanding: 59,271,512 and 49,471,817 shares at June 30, 2021 and 2020 (unaudited), respectively and 59,000,153 shares at December 31, 2020.	167	137	166
Share premium	379,981	304,175	375,280
Capital reserve	(441)	(541)	(441)
Reserve from financial assets measured at FVOCI	(25)	-	-
Accumulated deficit	(315,598)	(229,221)	(276,268)
Total shareholders' equity	64,084	74,550	98,737
Total liabilities and shareholders' equity	$ 186,720	$ 113,215	$ 155,483

The accompanying notes are an integral part of the interim consolidated financial statements.

August 10, 2021		
Date of approval of the financial statements	Julian Adams Director and Chief Executive Officer	Shai Lankry Chief Financial Officer

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

U.S. dollars in thousands (except share and per share data)

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		
Operating expenses:					
Research and development, net	$ 24,817	$ 17,198	$ 13,451	$ 9,319	$ 41,385
Commercial activities	9,660	2,497	5,230	1,029	8,748
General and administrative	7,230	5,490	3,817	2,496	12,167
Operating loss	41,707	25,185	22,498	12,844	62,300
Finance expense	4,150	1,366	2,594	2,320	10,640
Finance income	(6,080)	(894)	(3,801)	(109)	(236)
Loss before tax benefit	39,777	25,657	21,291	15,055	72,704
Tax benefit	(447)	-	-	-	-
Net loss	39,330	25,657	21,291	15,055	72,704
Other comprehensive loss:					
Items that will be reclassified subsequently to profit or loss:					
Actuarial net gain of defined benefit plans	-	-	-	-	(100)
Changes in the fair value of marketable securities	25	4	25	-	4
Total comprehensive loss	$ 39,355	$ 25,661	$ 21,316	$ 15,055	$ 72,608
Net loss per share:					
Basic loss per share	$ 0.66	$ 0.69	$ 0.36	$ 0.37	$ 1.66
Diluted loss per share	$ 0.76	$ 0.69	$ 0.42	$ 0.37	$ 1.66

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands (except share and per share data)

	Ordinary shares		Share Premium	Available for sale reserve	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount					
Balance as of January 1, 2021	59,000,153	$ 166	$ 375,280	$ -	$ (441)	$ (276,268)	$ 98,737
Net loss	-	-	-	-	-	(39,330)	(39,330)
Other comprehensive loss	-	-	-	(25)	-	-	(25)
Total comprehensive loss	-	-	-	(25)	-	(39,330)	(39,355)
Exercise of options	271,359	1	555	-	-	-	556
Equity component of convertible senior notes, net of tax and issuance costs	-	-	1,683	-	-	-	1,683
Share-based compensation	-	-	2,463	-	-	-	2,463
Balance as of June 30, 2021 (unaudited)	59,271,512	$ 167	$ 379,981	$ (25)	$ (441)	$ (315,598)	$ 64,084

	Ordinary shares		Share Premium	Available-for-sale reserve	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount					
Balance as of January 1, 2020	33,670,926	$ 92	$ 238,992	$ 4	$ (541)	$ (203,564)	$ 34,983
Net loss	-	-	-	-	-	(25,657)	(25,657)
Other comprehensive loss	-	-	-	(4)	-	-	(4)
Total comprehensive loss	-	-	-	(4)	-	(25,657)	(25,661)
Exercise of options	467,557	1	146	-	-	-	147
Issuance of ordinary shares in a secondary offering, net of issuance expenses of $1,000	15,333,334	44	63,816	-	-	-	63,860
Share-based compensation	-	-	1,221	-	-	-	1,221
Balance as of June 30, 2020 (unaudited)	49,471,817	$ 137	$ 304,175	$ -	$ (541)	$ (229,221)	$ 74,550

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands (except share and per share data)

	Ordinary shares		Share premium	Available-for-sale reserve	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount					
Balance as of April 1, 2021 (unaudited)	59,247,838	$ 167	$ 378,478	$ -	$ (441)	$ (294,307)	$ 83,897
Net loss	-	-	-	-	-	(21,291)	(21,291)
Other comprehensive loss	-	-	-	(25)	-	-	(25)
Total comprehensive loss	-	-	-	(25)	-	(21,291)	(21,316)
Exercise of options	23,674	-	54	-	-	-	54
Equity component of convertible senior notes, net of tax and issuance cost							
Share-based compensation	-	-	1,449	-	-	-	1,449
Balance as of June 30, 2021 (unaudited)	59,271,512	$ 167	$ 379,981	$ (25)	$ (441)	$ (315,598)	$ 64,084

	Ordinary shares		Share premium	Available-for-sale reserve	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount					
Balance as of April 1, 2020 (unaudited)	33,696,582	$ 92	$ 239,897	$ -	$ (541)	$ (214,166)	$ 25,282
Net loss	-	-	-	-	-	(15,055)	(15,055)
Total comprehensive loss	-	-	-	-	-	(15,055)	(15,055)
Exercise of options	441,901	1	140	-	-	-	141
Issuance of ordinary shares in a secondary offering, net of issuance expenses of $1,000	15,333,334	44	63,816	-	-	-	63,860
Share-based compensation	-	-	322	-	-	-	322
Balance as of June 30, 2020 (unaudited)	49,471,817	$ 137	$ 304,175	$ -	$ (541)	$ (229,221)	$ 74,550

*) represents an amount lower than 1 USD

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands (except share and per share data)

	Ordinary shares		Share premium	Reserve from financial assets measured at FVTOCI	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount					
Balance as of January 1, 2020	33,670,926	$ 92	$ 238,992	$ 4	$ (541)	$ (203,564)	$ 34,983
Net loss	-	-	-	-	-	(72,704)	(72,704)
Other comprehensive loss	-	-	-	(4)	100	-	96
Total comprehensive loss	-	-	-	(4)	100	(72,704)	(72,608)
Issuance of ordinary shares in a secondary offering, net of issuance expenses of $10,902	24,677,084	72	132,776	-	-	-	132,848
Exercise of options	652,143	2	648	-	-	-	650
Share-based compensation	-	-	2,864	-	-	-	2,864
Balance as of December 31, 2020	59,000,153	$ 166	$ 375,280	$ -	$ (441)	$ (276,268)	$ 98,737

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		
Cash flows from operating activities:					
Net loss	$ (39,330)	$ (25,657)	$ (21,291)	$ (15,055)	$ (72,704)
Adjustments to reconcile net loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation of property, plant and equipment and right-of-use assets	1,277	1,106	642	556	2,397
Financial (income) expense, net	1,007	(260)	522	(128)	483
Share-based compensation	2,463	1,221	1,449	322	2,864
Change in employee benefit liabilities, net	-	-		-	94
Amortization of premium on available-for-sale financial assets	-	4		-	4
Revaluation of liabilities presented at fair value derivatives	(5,810)	(670)	(3,525)	1,778	6,822
Revaluation of liability to IIA	1,858	1,315	832	593	4,302
Deferred income taxes	(447)	-		-	-
	348	2,716	(80)	3,121	16,966
Changes in asset and liability items:					
Decrease (increase) in prepaid expenses, other current assets, and other assets	68	(1,065)	591	(607)	(1,626)
Increase (decrease) in trade payables	(893)	1,574	(1,768)	(360)	5,083
Increase (decrease) in accrued expenses and other payables	(201)	(624)	2,523	2,472	3,454
	(1,026)	(115)	1,346	1,505	6,911
Cash received during the period for:					
Interest received	268	357	268	9	361
Interest paid	(85)	(80)	(34)	(33)	(161)
Net cash used in operating activities	(39,825)	(22,779)	(19,791)	(10,453)	(48,627)
Cash flows from investing activities:					
Purchase of property, plant and equipment	(5,390)	(7,109)	(2,584)	(4,990)	(11,804)
Investment in long term deposit	(1,000)	-	(1,000)	-	-
Purchase of marketable securities	(68,151)	-	(68,151)	-	-
Proceeds from maturity of marketable securities	17,824	-	17,824	-	(158)
Proceeds from sale of marketable securities	-	13,551	-	-	13,551
Net cash provided by (used in) investing activities	$ (56,717)	$ 6,442	$ (53,911)	$ (4,990)	$ 1,589

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30		Three months ended June 30		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited				
Cash flows from financing activities:					
Proceeds from secondary offering, net	-	-	-	-	133,316
Receipt of grants from the IIA	52	200	-	147	399
Proceeds from secondary offering, net	-	63,860	-	63,860	-
Proceeds from issuance of convertible senior notes, net of issuance costs	70,777	-	(235)		-
Payment of lease liabilities	(1,129)	(1,122)	(465)	(335)	(1,985)
Exercise of options	556	147	54	141	650
Payment of issuance costs related to public offering	(468)	-	-	-	-
Net cash (used in) provided by financing activities	69,788	63,085	(646)	63,813	132,380
Exchange differences on balances of cash and cash equivalents	74	52	40	(24)	(10)
Increase (decrease) in cash and cash equivalents	(26,680)	46,800	(74,308)	48,346	85,332
Cash and cash equivalents at beginning of period	127,170	41,838	174,798	40,292	41,838
Cash and cash equivalents at end of period	$ 100,490	$ 88,638	$ 100,490	$ 88,638	$ 127,170
Supplemental disclosure of non-cash financing activities:					
Significant non-cash transactions:					
Lease liabilities arising from new right-of-use asset	$ -	$ -	$ -	$ -	$ 3,409
IIA liability for grants to be received	$ 656	$ -	$ 607	$ -	$ 103
Issuance expenses on credit	$ -	$ -	$ -	$ -	$ 468
Purchase of property, plant and equipment on credit	$ 1,563	$ 960	$ 1,563	$ 960	$ 415
Borrowing costs capitalization	$ 574	$ -	$ 574	$ -	$ -

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTE 1:- GENERAL

a. Gamida Cell Ltd. (the "Company"), founded in 1998, is an advanced cell therapy company committed to finding cures for patients with blood cancers and serious blood diseases. The Company develops novel curative treatments using stem cells and Natural Killer (NK) cells.

b. The Company has created a novel NAM cell expansion technology platform that is designed to enhance the number and functionality of allogenic donor cells. This proprietary therapeutic platform may enable the development of therapies with the potential to improve treatment outcomes beyond what is possible with current donor-derived therapies.

The lead product candidate, omidubicel, is an advanced cell therapy in development as a potential life-saving treatment option for patients in need of a bone marrow transplant (BMT). In May 2020, the Company reported that omidubicel met its primary endpoint in an international, randomized, multi-center Phase 3 clinical study in 125 patients with high-risk hematologic malignancies undergoing bone marrow transplant and who had no available matched donor. The study evaluated the safety and efficacy of omidubicel compared to standard umbilical cord blood. BMT with a graft derived from bone marrow or peripheral blood cells of a matched donor is currently the standard of care treatment for many of these patients, but there is a significant unmet need for patients who cannot find a fully matched donor.

In October 2020, the Company reported that omidubicel met all three of its secondary endpoints. All three secondary endpoints demonstrated a statistically significant improvement among patients who received omidubicel compared to the comparator group.

Omidubicel is the first bone marrow transplant product to receive Breakthrough Therapy Designation from the U.S. Food and Drug Administration and has received orphan drug designation in the U.S. and in Europe.

In addition to omidubicel, the Company is developing GDA-201, an investigational NK cell-based cancer immunotherapy to be used in combination with standard-of-care therapeutic antibodies. NK cells have potent anti-tumor properties and have the advantage over other oncology cell therapies of not requiring genetic matching, potentially enabling NK cells to serve as a universal donor-based therapy when combined with certain antibodies. GDA-201 is currently in an investigator-sponsored Phase 1/2 study for the treatment of relapsed or refractory non-Hodgkin lymphoma (NHL). In December 2020, the Company reported, updated and expanded results from the Phase 1 clinical study at the Annual Meeting of the American Society of Hematology, or ASH. The data from the first 35 patients demonstrated that GDA-201 was clinically active and generally well tolerated. Among the 19 patients with NHL, 13 complete responses and one partial response were observed, with an overall response rate of 74 percent and a complete response rate of 68 percent.

U.S. dollars in thousands (except share and per share data)

NOTE 1:- GENERAL (Cont.)

c. The Company is devoting substantially all of its efforts toward research and development activities. In the course of such activities, the Company has sustained operating losses and expects such losses to continue in the foreseeable future. The Company's accumulated deficit as of June 30, 2021 was $315,598 and negative cash flows from operating activities during the six-month period ended June 30, 2021 was $39,825.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The interim consolidated financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company were unable to continue as a going concern.

d. Definitions:

In these financial statements:

The Company	-	Gamida Cell Ltd. and its subsidiary
Subsidiary		Gamida Cell Inc. incorporated in 2000 and intended to focus on sales and marketing upon product approval.
Related parties	-	As defined in IAS 24
Dollar	-	U.S. dollar

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

a. The accompanying unaudited interim consolidated financial statements as of June 30, 2021 and for the six months periods ended June 30, 2021 and 2020 have been prepared in accordance with IAS 34 "Interim Financial Reporting" for interim financial information.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements as of December 31, 2020 and their accompanying disclosures.

The interim consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for the full year ending December 31, 2021.

b. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2020.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

c. Property, plant and equipment:

Property, plant and equipment are measured at cost, including directly attributable costs, less accumulated depreciation, accumulated impairment losses and any related investment grants, excluding day-to-day servicing expenses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Depreciation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

	%
Machinery	10 - 15
Office, furniture and equipment	6 - 33
Leasehold improvements	(*)
Project in process- manufacturing plant	(**)

(*) Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term (including the extension option held by the Company and intended to be exercised) and the expected life of the improvement.

(**) As of June 30, 2021, the manufacturing plant is under validation process and therefore is not yet ready for production. Depreciation of the manufacturing plant will commence upon completion of the validation process.

The useful life, depreciation method and residual value of an asset are reviewed at least each year-end and any changes are accounted for prospectively as a change in accounting estimate.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

d. Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

U.S. dollars in thousands (except share and per share data)

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The carrying amount of the manufacturing plant at June 30, 2021 was $22,517. The amount of borrowing costs capitalized during the six and three months periods ended June 30, 2021 was $574.
The rate used to determine the amount of borrowing costs eligible for capitalization was 11.2%, which is the EIR of the Company's borrowings.

e. Leases:

Set out below are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use assets				
	Offices and labs	Vehicles	Production Plant	Total	Lease liabilities
As of January 1, 2021	$ 2,898	$ 74	$ 3,502	$ 6,474	$ 7,910
Depreciation expense	(711)	(100)	(259)	(1,070)	-
Interest expense	-	-	-	-	81
Additions	-	62	-	62	60
Payments	-	-	-	-	(1,214)
Other	(16)	(13)	(33)	(62)	(61)
As of June 30, 2021 (unaudited)	$ 2,171	$ 23	$ 3,210	$ 5,404	$ 6,776

f. Investment in marketable securities:

Marketable securities are measured upon initial recognition at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets, except for financial assets measured at fair value through profit or loss in respect of which transaction costs are recorded in profit or loss.

The Company classifies and measures debt instruments in the financial statements based on the following criteria:

- The Company's business model for managing financial assets; and

- The contractual cash flow terms of the financial asset.

The Company measured all of its marketable securities at fair value through other comprehensive income (FVTCOI).

Debt instruments are measured at fair value through other comprehensive income when:

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Company's business model is to hold the financial assets in order to both collect their contractual cash flows and to sell the financial assets, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, the instruments in this category are measured at fair value. Gains or losses from fair value adjustments, excluding interest and exchange rate differences, are recognized in other comprehensive income. The Company evaluates at the end of each reporting period the loss allowance for financial debt instruments.

Marketable securities as of June 30, 2021 include corporate and government debentures with no significant premium or discount. The investment in marketable securities, which are measured at fair value through other comprehensive income is considered a Level 1 measurement.

g. Taxes:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

U.S. dollars in thousands (except share and per share data)

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTE 3:- SHAREHOLDERS' EQUITY

a. Ordinary shares:

	Number of shares			
	Authorized as of		Issued and outstanding as of	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Ordinary Shares of $0.01 per value each:	100,000,000	100,000,000	59,271,512	59,000,153

U.S. dollars in thousands (except share and per share data)

NOTE 3:- SHAREHOLDERS' EQUITY (Cont.)

b. Share incentive plans:

Movement during the periods:

	Six months ended June 30,				Year ended December 31,	
	2021		2020		2020	
	Unaudited		Unaudited			
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		USD		USD		USD
Outstanding at beginning of period	3,892,714	5.15	3,405,188	4.76	3,405,188	4.76
Granted	841,151	9.17	621,200	4.68	1,492,700	4.91
Expired	77,578	8.03	10,938	8.00	74,744	8.60
Exercised	271,359	2.05	467,557	0.31	652,143	1.00
Forfeited	97,622	7.24	211,482	8.23	278,287	7.94
Share options outstanding at end of period	4,287,306	6.03	3,276,041	5.14	3,892,714	5.15
Share options exercisable at end of period	2,425,594	4.52	1,438,658	3.01	2,161,439	4.45

As of June 30, 2021, there is $5,657 of total unrecognized cost related to non-vested share-based compensation that is expected to be recognized over a period of up to four years.

A summary of the activity in the RSUs granted to employees for the six months ended June 30, 2021 is as follows:

	Number of RSUs	Weighted average grant date fair value
Unvested as of December 31, 2020:	-	$ -
Granted	164,784	9.47
Forfeited	(8,300)	9.51
Unvested as of June 30, 2021:	156,484	$ 9.47

U.S. dollars in thousands (except share and per share data)

NOTE 3:- SHAREHOLDERS' EQUITY (Cont.)

c. Share incentive plans expenses:

The total compensation cost related to all of the Company's equity-based awards, recognized during the presented periods was comprised as follows:

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited				
Research and development	$ 550	$ 613	$ 404	$ 419	$ 1,185
Commercial activities	797	(177)	444	(355)	230
General and administrative	1,116	785	601	258	1,449
	$ 2,463	$ 1,221	$ 1,449	$ 322	$ 2,864

The Company estimates the fair value of stock options granted using the Binominal option-pricing model. The option-pricing model requires a number of assumptions, of which the most significant are the expected stock price volatility and the expected option term.

Expected volatility was calculated based upon historical volatilities of similar entities in the related sector index. The expected term of the options granted is derived from output of the option valuation model and represents the period of time that options granted are expected to be outstanding. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. The Company has historically not paid dividends and has no foreseeable plans to pay dividends. The following table lists the inputs to the Binomial option pricing model used for the fair value measurement of equity-settled share options for the following periods:

Based on the above inputs, the fair value of the options was determined at $4.07 - $11.01 at the grant dates during 2021 and 2020.

	June 30,		December 31,
	2021	2020	2020
	Unaudited		
Expected volatility of the share prices (%)	66%	78%-84%	74%-79%
Risk-free interest rate (%)	1.5-1.6	1.21-1.38	0.6-1.38

U.S. dollars in thousands (except share and per share data)

NOTE 4:- LIABILITIES PRESENTED AT FAIR VALUE

a. Warrants to purchase Company's shares:

The Company measured the fair value of the warrants by using the Option Pricing Method utilized in a Black- Scholes simulation model. The option-pricing model requires a number of assumptions, of which the most significant are the expected stock price volatility and the expected time until liquidation. Expected volatility was calculated based upon historical volatilities of similar entities in the related sector index. The expected time until liquidation is the maximum contractual term of the warrants. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. The Company has historically not paid dividends and has no foreseeable plans to pay dividends.

	June 30,		December 31,
	2021	2020	2020
	Unaudited		
Risk-free interest rate	0.1%	0.2%	0.1%
Expected volatility	79%	76%	76%
Expected life (in years)	1.0	2.0	1.5
Expected dividend yield	0	0	0

b. Changes in the fair value of warrants classified as Level 3 in the fair value hierarchy:

	Fair value of financial derivatives
Balance at January 1, 2021	$ 12,043
Revaluation of financial derivatives	(5,810)
Balance at June 30, 2021 (unaudited)	$ 6,233

NOTE 5:- CONVERTIBLE SENIOR NOTES, NET

On February 16, 2021, the Subsidiary issued $75 million aggregate principal amount of convertible senior notes (the "Convertible Notes") due 2026. The Convertible Notes bear regular annual interest of 5.875% that is paid twice a year. The Convertible Notes mature on February 16, 2026, unless earlier repurchased or converted in accordance with their terms.

The Convertible Notes are convertible into Gamida-Cell Ltd. shares at an initial conversion rate of 56.3063 shares per $1,000 principal amount of Convertible Notes (equivalent to an exchange price of $17.76 per share). The Subsidiary may redeem all or a portion of the notes for cash, at its option, at 100% of the principal amount plus accrued and unpaid interest on the notes to be redeemed if the closing price of its ordinary shares has been at least 130% of the exchange price for at least 20 trading days during any 30 consecutive trading day period.

U.S. dollars in thousands (except share and per share data)

NOTE 5:- CONVERTIBLE SENIOR NOTES, NET (Cont.)

The Convertible Notes are classified as a compound financial instrument in accordance with IAS 32- Financial Instruments – Presentation, and, as such, require separate accounting in the balance sheet of the equity component (the holder's call option to convert the Convertible Notes to shares) and of the liability component (the contractual arrangement to deliver cash). The fair value of the recognized liability classified as long- term debt was calculated using a fair value of a similar instrument that does not have a conversion feature.

The difference between the nominal value and the fair value of the Convertible Notes was recognized in equity under share premium, net of deferred tax and related issuance costs. In accounting for the issuance costs related to the Convertible Notes, the allocation of the issuance costs incurred between the liability and equity components were based on their relative fair values.

The interest of a similar instrument that does not have a conversion feature at issuance would have been 6.7%. The fair value of the liability component was $68.6 million upon issuance and the fair value of the equity component was $2.1 million, net of issuance costs of $4.2 million, prorated between the liability and equity components.

The net carrying amount of the liability and equity components of the Convertible Notes for the period presented is as follows:

	As June 30, 2021 Unaudited
Liability component:	
Principal amount	$ 75,000
Unamortized discount	(1,548)
Unamortized issuance costs	(2,809)
Net carrying amount (including accrued interest)	$ 70,643
Equity component, net of issuance costs of $127 and deferred taxes of $447	$ 1,683

Interest expense related to the Convertible Notes was as follows:

	Six months ended June 30, 2021 Unaudited
Contractual interest expense	$ 1,099
Amortization of debt discount	319
Amortization of debt issuance costs	579
Total interest expense recognized	$ 1,997

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

NOTE 6:- LOSS PER SHARE

Details of the number of shares and loss used in the computation of loss per share:

	Six months ended		Three months ended	
	June 30, 2021			
	Unaudited			
	Weighted number of shares	Loss attributed to equity holders of the Company	Weighted number of shares	Loss attributed to equity holders of the Company
For the computation of basic loss	59,188,504	39,330	59,253,315	21,291
Effect of potential dilutive ordinary shares (Warrants)	536,572	5,810	83,318	3,525
For the computation of diluted loss	59,725,076	45,140	59,336,633	24,816

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